

#### **IC 4-4-31**

### **Chapter 31. Funding of Industrial Development Projects in Distressed Counties**

#### **IC 4-4-31-1**

##### **List of distressed areas; distribution to authority and department of commerce**

Sec. 1. After June 30 and before July 15 of each year, the department of workforce development shall provide the authority with a list of the counties that qualify as distressed areas as of the date of the report. A copy of the list also shall be distributed to the department of commerce for use under IC 4-4-20.

*As added by P.L.224-2003, SEC.274.*

#### **IC 4-4-31-2**

##### **Designation as tax allocation project; resolution; bond payments; limitations**

Sec. 2. (a) The authority may adopt a resolution designating an industrial development project as a tax allocation project if the industrial development project is located in an area that is designated in the latest report issued under section 1 of this chapter as a distressed area. The authority shall designate in the resolution the boundaries of the tax allocation project area. The resolution designating a tax allocation project must provide for:

- (1) allocation of covered taxes attributable to a taxable event or covered taxes earned in the tax allocation project area to an industrial development project area fund established for the industrial development project;
- (2) use of money in the industrial development project area fund solely for payments related to bonds, loans, or leases issued under this article to pay for the costs of the project; and
- (3) termination of the industrial development project area fund upon payment of all obligations described in subdivision (2).

(b) A resolution adopted under this section may not apply to an industrial development project that will result in the loss of employment in any part of Indiana.

(c) The authority shall incorporate the resolution adopted under this section into the financing agreement entered into between the developer of the industrial development project and the authority.

*As added by P.L.224-2003, SEC.274.*

#### **IC 4-4-31-3**

##### **Covered taxes subject to allocation; expiration of allocation**

Sec. 3. Subject to the approval of the budget agency under section 4 of this chapter, a resolution adopted under section 2 of this chapter authorizes the allocation of the following covered taxes (in excess of the base allocation amount and not exceeding an amount that will result in an allocation in the county from all industrial development projects in the county of not more than five hundred thousand dollars (\$500,000)) to the industrial development project area fund for an

industrial development project:

(1) Covered taxes incurred by a developer as a consequence of the development of the industrial development project, including gross retail taxes collectible by a retail merchant on goods or services provided to the developer for the industrial development project.

(2) Covered taxes that:

(A) are incurred by an individual or entity that leases, controls, uses, or operates in; and

(B) are attributable to a taxable event related to or earned through lease, control, use, or operations in;

facilities developed through an industrial development project, including gross retail taxes collectible by a retail merchant on goods or services provided to the individual or entity.

(3) Covered taxes that:

(A) are incurred by an individual or entity that is a partner, shareholder, or member of an entity that leases, controls, uses, or operates in; and

(B) are attributable to a taxable event related to or earned through lease, control, use, or operations in;

facilities developed through an industrial development project.

(4) Four percent (4%) of covered taxes on wages or other compensation earned by persons employed or providing services at facilities financed through an industrial development project, including services related to the construction, reconstruction, improvement, or repair of the facilities.

The power to allocate money under this section expires not later than two (2) years after the beginning date specified by the authority.

*As added by P.L.224-2003, SEC.274.*

#### **IC 4-4-31-4**

##### **Resolution; budget agency approval; project fund; base allocation; deposit of taxes; payments from fund**

Sec. 4. (a) The authority shall provide the department of state revenue, the auditor of state, and the budget agency with a copy of any resolution adopted under section 2 of this chapter and the related financing agreement.

(b) A resolution adopted under section 2 of this chapter is subject to the approval of the budget agency. The budget agency shall notify the authority, the department of state revenue, and the auditor of state of its decision concerning the resolution.

(c) Upon receipt of notification that the budget agency has approved the resolution:

(1) the auditor of state shall establish an industrial development project area fund for the industrial development project;

(2) the department of state revenue shall compute the base allocation amount for the industrial development project area;

(3) the department of state revenue shall annually deposit the covered taxes subject to the resolution (to the extent that the amount exceeds the base allocation amount) in the industrial

development project area fund for the industrial development project; and

(4) the auditor of state shall make payments from the industrial development project area fund in accordance with the resolution and the financing agreement for the industrial development project.

*As added by P.L.224-2003, SEC.274.*

#### **IC 4-4-31-5**

##### **Determining base allocation amount**

Sec. 5. The department of state revenue shall estimate the base allocation amount from the data available to the department and any other data supplied by the authority. The base allocation amount is equal to the amount of covered taxes deposited from taxable events occurring, or from wages or other compensation earned, in the tax allocation project area in the calendar year immediately preceding the calendar year in which the resolution is adopted under section 2 of this chapter.

*As added by P.L.224-2003, SEC.274.*

#### **IC 4-4-31-6**

##### **Fund; treatment as trust fund; nonreverting**

Sec. 6. An industrial development project area fund established under section 4 of this chapter shall be treated as a trust fund. Money in an industrial development project area fund is annually appropriated for purposes of the industrial development project for which it was created and may be used only for the purposes specified in the resolution and financing agreement for the industrial development project. Money in the industrial development project area fund at the end of a state fiscal year does not revert to the state general fund. However, unencumbered money remaining in an industrial development project area fund upon payment of all obligations for which the fund was created reverts to the state general fund.

*As added by P.L.224-2003, SEC.274.*

#### **IC 4-4-31-7**

##### **Rulemaking; informational returns**

Sec. 7. The department of state revenue may adopt rules under IC 4-22-2 and prescribe forms to carry out its responsibilities under this chapter, including the establishment of requirements concerning the filing of informational returns necessary to identify tax receipts that are to be deposited in an industrial development project area fund.

*As added by P.L.224-2003, SEC.274.*

#### **IC 4-4-31-8**

##### **Expiration of chapter**

Sec. 8. This chapter expires July 1, 2005.

*As added by P.L.224-2003, SEC.274.*

